



Tuned in to you.™

Master Franchise License Slovakia



748 Miller Drive, SE
Leesburg, VA 20175
703-777-9095

Franchising@precisionac.com
www.PrecisionTune.com



Dear Future Master Franchisee:

I want to thank you for your interest in exploring the master franchisee opportunity available through Precision Tune Auto Care. I hope you will take the time to review our prospectus and visit our website.

With the global automotive aftermarket growing and changing every day, now more than ever, it is critical to be involved with a company like Precision Tune Auto Care that has international experience with a proven operating system. PrecisionTune.com has information on many of the tools that a Master Franchisee will need ---- from operational business plans, equipment and tools, education, market analysis, forecasts and in country training. Whether you are new to the market or have prior experience in the Automotive Industry, we can develop a solution adapted to your objectives, skills and means.

We are committed to conducting business in accordance with the highest standards of professional and ethical conduct and have been doing so for more than 30 years. In order to move forward, you will want to learn more about us and as you review the information that follows, you will see that we are very committed to our Master Franchisees. Conversely, we will want to learn more about you, your team and understand your commitment to developing the PTAC brand in your country.

If you have any questions, please contact our development department at 703-777-9095, extension 211.

Sincerely,

*Robert Falconi
President and CEO*

Precision Franchising LLC

Corporate Offices: 748 Miller Drive S.E., Leesburg, VA 20175 | Mailing Address: P.O. Box 5000, Leesburg, VA 20177
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FRANCHISING IN SLOVAKIA

Franchising entered new opened markets especially in Eastern Europe. The most obvious benefit of franchising to the national economy is creation of new jobs. New jobs are created not only franchising industry itself, but also in connected industries. Spreading of franchising can bring a lot of opportunities for employees. Matter of common knowledge is that failure rate of franchised business is substantially lower than in traditional, non – franchised retail business. It offers a rapid expansion of individual business with a greater chance of success than the average business. There are also advantages on both sides of contracting parties. Franchisor can by this method achieve stronger position of the company on the market relatively in short time. Franchisee has an effort of well – established methods of running business.

Franchising is still so new for Slovakia. Economies of Eastern Europe turned from planned economy to open market economy. This breaking point brought not only threads, but also opportunity to start own business. Given that people in Slovakia do not have a lot of experiences with running their own business. That is the reason, why this trading method can be very useful for people in Slovakia. Franchisor provides ongoing training and assistance, so as to enable franchisees to operate as effective as possible. Franchising as a method of marketing goods and services and also method of risk elimination in business is still not wide developed in the conditions of the Slovakian economy.

As an open market economy Slovakia offers many advantages to entrepreneurs. The Slovak republic has good infrastructure (especially in western parts of the country), a lot of educated people willing to work

hard and fair and stable taxation. Equally important in running a business is stability of the local political system. The Slovak government supports developing of an open-market economy. This support is stable and very efficient. It is obvious that Slovak republic still offers a lot of benefits for every entrepreneur.

The franchising method is still new for Slovakian entrepreneurs, but is growing and includes gasoline stations and business services. The Slovak market is increasingly dominated by the automotive, electronics, engineering, tourism and service industries. Slovakia has transformed itself into a business-friendly market with the second highest economic growth among all European Union countries.

Slovakia has become one of Europe's most attractive locations for automotive industry investments over the past five years.



Sources:

*International Franchise Lawyers Association e.v. (IFLA) ;
Doing Business in Slovakia: 2008 Country Commercial
Guide for US Companies*

SLOVAKIA MAP, AREA AND POPULATION



Area: 48,845 sq km
Total Population: 5,455,407 (July 2008 est.)

Principal Cities	Population
Bratislava	426,091
Košice	234,596
Prešov	91,650

Sources:
www.cia.gov - World Factbook; wikipedia.org



AUTOMOTIVE AFTERMARKET IN SLOVAKIA

Paved Roadways	37,533
Total Roadways	42,933
Annual Vehicle Sales	83,519
Persons Per Car	3.5
Vehicle Registrations	1,578,667

Given the high growth in vehicle sales and the lack of qualified repair locations and the strong economic indicators which follow, Precision Tune Auto Care recognizes the market opportunity to award the master franchise rights to a company with vision and resources to build a national repair network.

Source:
2009 Aftermarket FactBook





PRECISION TUNE AUTO CARE EXISTING MASTER FRANCHISE LICENSES



As of August 1, 2008

Approximately 280 centers in the United States

Approximately 98 centers internationally



Canada



Oman



Portugal



Saudi Arabia



Spain



Taiwan



United States

The Right Brand. The Total Package.



PRECISION TUNE AUTO CARE INTERNATIONAL CENTERS



United States



Portugal



Taiwan



Oman



Spain





INTERNATIONAL FRANCHISE OPPORTUNITIES

Founded in 1976 and franchising since 1977, we are America's largest engine performance car-care company. We have over 280 centers operating in the U.S. and another 98 centers located internationally including: Taiwan, Portugal, Spain, Canada, Oman. We have initiated an aggressive growth plan to open more centers internationally, including countries in Eastern Europe and Southeast Asia.

The Market

The primary Precision Tune Auto Care customers are middle class families who are dependent on their vehicle for transportation. With the complexity of today's vehicles, the "do it yourselfers" find they "cannot do it". While they may have the necessary tools to change their oil, and maybe change their spark plugs, they don't have the resources to diagnose and repair today's technologically advanced engines. Although each international market is unique, the PTAC business model has proven successful in a variety of very different environments, with minor modifications made as necessary.

Our Services

Precision Tune Auto Care was founded on the basic engine tune up. Over the years, we have diversified our mix of services to provide total quality car care opportunities for our franchisees to grow and expand their customer base.

Today, we offer a wide variety of specialized and scheduled car care services. These services include:

Brakes & Traction Control

Cooling System

Diagnostic Discovery Services

Emission Controls

Engine & Power-train Management

Relays & Modules

Exhaust Systems

Factory Scheduled Maintenance Services

Heating & Air Conditioning

Instrument Panel, Gauges & Warning Lights

Lighting & Horns

Starting & Charging

State Inspections

Steering & Suspension

Tire Sales & Service

Transmission & Drivetrain

Windows & Glass

Wiper & Washer Systems

The Competition

In the 1970s and early 1980s, our primary competition came from full-service gas stations. Today, our primary competition comes from the dealership and we estimate that will probably be the case worldwide. The dealerships are focusing more on after-sale service as a revenue generator. The problem with the dealers' strategy is that today's automobile owners are not happy with the dealerships. High cost, inconvenience and the quality of the work are most often cited. Tire dealers and maintenance garages form the next level of competition. We are prepared to analyze market potential anywhere in the world.





Regardless of the competition, our model can work anywhere in the world. We are more convenient: an average car is in our shop approximately an hour and a half, and most of the centers take appointments. We beat the dealerships' price, job for job, and warranty our work for 12 months or 12,000 miles (or 12 months/20,000 kilometers). Internationally, Precision Tune Auto Care has positioned itself as the alternative to the dealership while providing convenience, expertise and the best value for today's consumer.

Our Support System

Precision Tune Auto Care is a business format franchise. Our business concept has not only been invented, it has been successfully working since 1976 and internationally since 1991. We continue to develop and refine the systems and procedures, that when properly implemented, can lead to businesses with excellent sales potential. Our support systems encompass the necessary disciplines for Master Franchisees to develop and grow our brand within their country and include, but are not limited to: site selection, marketing, advertising, technical and management training, operations, parts acquisition and much more. We are prepared to provide support to international Master Franchisees both in our corporate offices in the United States and throughout the world.

Site Selection - Franchisees lease or purchase their own location.

Training at Precision University - Precision Tune Auto Care offers one of the most advanced training programs in the industry. We will teach you how to create and implement the needed infrastructure to support your franchises, as well as how to profitably operate a PTAC center in our Franchise Management course. We will cover all aspects of the business including: financial management, salesmanship, business management, marketing & advertising, labor and purchasing, as well as an overview of our services. In addition to the Franchise Management course, Precision University offers the following management courses: Service Writer Training; Financial Modeling & Templating; and Softwrench (POS System) Training.

Our engine performance and automotive maintenance training program for technicians spans eight weeks and entails 40% classroom time and 60% hands-on training. While it is an extensive course, when your team has successfully completed the course, you will have the most qualified technicians in your country. These technical classes include: Engine Performance; Automotive Electronics, Emissions & On-Board Diagnostics; Brakes; Air Conditioning Service & Repair; Preventative Maintenance; Domestic & Asian Fuel Injection; and Hybrids.

Operations - Master Franchisees provide the first echelon of support in any market. They provide routine support in site identification, marketing and day-to-day operations, as well as periodic training, site visits and offer constructive feedback of the center's operation. Master Franchisees are normally located in the region.

Advertising - Each center is required to spend resources on advertising. The Master Franchisee may elect to collect some or all of these funds for use in a cooperative advertising campaign. This strategy provides for a much larger potential audience than possible to an individual center.

The corporate marketing and advertising department will provide the Master Franchisee with professional advice on the selection and implementation of marketing plans and tools. They will also receive regular updates on advertising materials and opportunities.





Your Locations

In our early years, many of our centers were converted service stations. By the 1980's we began opening in auto malls which are occupied exclusively by tenants in like industries. In the 1990s, we began operating in state of the art professionally designed centers. Complete blueprint packages, equipment listings, parts room design, and graphic requirements are provided to each master franchisee. With over thirty years in the automotive business, Precision Tune Auto Care has established a formula for success.

The site criteria and demographics we look for are:

- A population base of 50,000 (predominantly middle income) within three miles for Metropolitan areas. However, this will vary from one country to another.
- Activity generators. We want to create a synergy and be surrounded by other businesses which will also draw people into our location.

The Opportunity

In developing international Master Franchise opportunities, Precision Tune Auto Care is looking to establish long-term relationships with quality business professionals. Prior experience in the automotive industry is not as critical to your success as is your ability to adapt and implement a proven business system to your local conditions. Precision Tune Auto Care provides the system, superb training in the specifics, continuous and ongoing support and the opportunity to capture a significant portion of the growing automotive industry. Master Franchise opportunities are available worldwide. The first step in developing a relationship is to define the opportunity within the host country. Specifically, we need to determine the number of centers the country can accommodate. Once you have reviewed the literature, we can discuss specific opportunities.

How Do You Get Started?

Simply call us at (800) 438-8863, *option3 (toll-free)* or (703) 777-9095 ext. 211 (outside of the United States), and we will discuss your interests. We will want to get details about your plans and the resources available to you to bring those plans into effect. We are also prepared to meet with you in our corporate office in Leesburg, Virginia (a suburb of Washington, DC). Our fax number is (703) 669-1539.

If there is a "meeting of the minds", then the next step is to sign a letter of intent after which we will send you a copy of the Master Franchise Agreement. You and your attorneys will review it and we will negotiate the terms of the Agreement. This negotiation process will typically take between 1-2 months as details are worked out such as the Development and Training Schedules and country specific considerations.

As noted above, Precision Tune Auto Care has a number of locations across the world and because we are very growth oriented, we stand ready to move out with qualified prospects at a moment's notice.





BENEFITS OF BEING A PRECISION TUNE AUTO CARE MASTER FRANCHISEE

Sources of Revenue

- % of monthly operating fees is paid by Franchisee to Master Franchisee
- The initial franchise fee is paid by Franchisee to Master Franchisee
- Sales generated by the operation of a corporate center (if applicable)

Precision Tune Auto Care Value

- Over 30 years of worldwide franchising success
- Proven international operating system
- World-class training at Precision University
- Turn-key marketing & advertising
- Worldwide vendor partnerships
- Continuous and ongoing communications Support Provided to Master Franchisee:

Support Provided

- Current standard construction plans and specifications for franchise centers in the US
- Operational manuals
- Annual visits from Sr. V.P. of Operations and V.P. of Training
- Point of sale software
- Training for Master Franchisee and employees of Master Franchisee made available
- Advice, consultation, technical support available through our intranet, telephonic conference calls and technical hotline
- Advertising and promotional plans and materials





TRAINING AND SUPPORT

Precision University, located at Precision Tune Auto Care's corporate headquarters in Leesburg, Virginia, offers world-class management and technical training, and functions as an integral part of the Master Franchise support package. Upon signing the Master Franchise Agreement, the Master Franchisee is encouraged to attend a comprehensive two week management course that includes financial modeling, business planning, customer communications, infrastructure design and set-up, marketing and advertising as well as proper operating procedures. During the second week of training, our instructors take the Master Franchisee to local Precision Tune Auto Care centers to not only receive additional training, but also spend a day in the life of a Precision Tune Auto Care franchisee.

Precision Tune Auto Care's Marketing Department not only introduces critical marketing and advertising programs, like the intranet website and "car care" educational press releases, but also assists with selecting the necessary signage for each Precision Tune Auto Care center. Additionally, the Master Franchisee is given the opportunity to shop at the Precision Printing store, offering everything from Precision Tune Auto Care apparel to banners, business cards and lobby materials.

Beyond this initial training, Precision University offers support and specialized technical training both in your country and in the United States. Our instructors make one to two visits to your facility during the first year of operation to provide additional training and support in building the brand. Master Franchisees are encouraged to attend other technical training courses offered in the United States, as frequently as possible. Those courses may include: Engine Performance, A/C Service & Repair, Automotive Electronics, Domestic & Asian Fuel Injection, Preventative Maintenance, Services Writer, Emissions & OBDII and Brakes.

Ongoing support is also available during the year through Precision Tune Auto Care's intranet website, the technical hotline, and ongoing computer-based training releases. Our instructors/trainers will make at least one visit per year after the first year of operation. While it is the Master Franchisee who ultimately gets the business running, Precision Tune Auto Care provides key support to help the business grow.





THE FIRST STEP

Initial Deposit: US\$5,000.00

- Precision Tune Auto Care requires an initial deposit of US\$5,000.00 to secure the country, and begin the initial stages of drafting a Master Franchise Agreement. This deposit will be applied toward the initial Master Franchise Fee.
- Candidate must submit a copy of the following:
 - Business Plans
 - Corporate Documents
- Candidate must attend Discovery Day at the corporate offices in Leesburg, Virginia

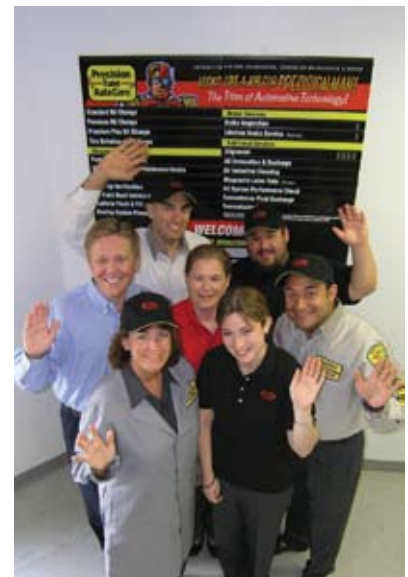
INVESTMENT

Master Franchise License Fee: Price To Be Negotiated

- The Master Franchise License fee can be financed over a period of 5 years. 20% of the fee is due upon signing the Master Franchise Agreement.
- Includes exclusive rights to develop Precision Tune Auto Care centers in your country
- Rights to use internationally registered trademarks

On-Going Fees:

- Pay to Franchisor US\$5,000.00 for every new license sold
- Pay to Franchisor US\$1,000.00 for every transfer license
- Pay to Franchisor a continuing royalty fee in the amount of 2% of the total gross sales of all centers every month
- Costs associated with any additional training in Leesburg
- Costs associated with opening & operating a corporate PTAC center (if applicable)





RECEIPT FOR INITIAL MASTER FRANCHISEE DEPOSIT

With this receipt, Precision Franchising LLC acknowledges that it has received your initial Master Franchise fee deposit in the amount of US\$5,000.00:

Name: _____

Address: _____

Phone #: _____

Country: _____

The initial deposit of \$5,000.00 allows Precision Franchising LLC to begin preparation of the Master Franchise Agreement and ancillary documents. In the event you do not sign a Master Franchise Agreement, your deposit will be nonrefundable for time and expenditures spent preparing this transaction.

This receipt of your deposit is not a formal contract, nor does it guarantee your rights as a Master Franchisee. The Master Franchise Agreement will be executed at a later date.

Precision Franchising LLC

By: _____ Date: _____

Name: _____

Title: _____

Master Franchisee Candidate:

By: _____ Date: _____

Name: _____

Title: _____

Franchise Times®

www.franchisetimes.com

The News and Information Source for Franchising

October 2007



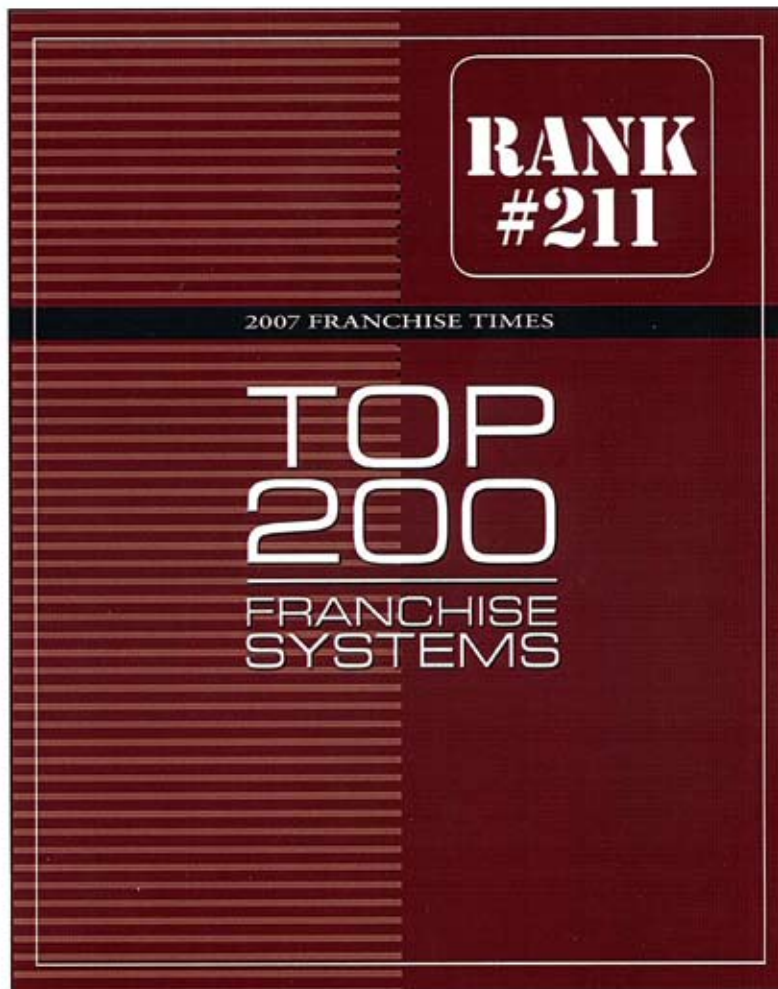
Congratulations! Precision Tune Auto Care is one of the top 200 companies on Franchise Times Annual Top 200 Franchise Systems ranking for 2007.

The rankings set forth the largest franchise systems in the United States based upon worldwide revenues and unit counts.

Best wishes on your ranking as one of the largest players in franchising.

Mary Jo Larson

Mary Jo. Larson
Publisher



Top 200 Franchise Chains by Worldwide Sales

Rank	Prior Rank	CHAIN	PARENT COMPANY	Worldwide Sales (\$M)	Domestic Units	Total Units	Percent Franchised
211	216	Precision Tune Auto Care	Precision Franchising LLC	174	306	406	100%

* Franchise Times Estimate 1 Does not include gasoline sales 2 Domestic units include Canadian 3 Gross Commission Income (GCI) 4 FY ended 8/31/06 5 FY ended 6/5/07 6 Uniglobe does not distinguish between domestic and international units



u.s. business review

June 2007

THE ROAD AHEAD

Precision Tune Auto Care's family friendly atmosphere and efficient service sets it apart from competitors, its president and CEO says.

by Kate Burrows

Founded more than 30 years ago in Leesburg, Va., Precision Tune Auto Care says it has grown from an engine tune-up shop to an organization offering "everything the driving public needs."

Over the years, Precision Tune has evolved with the automotive industry, changing from a company offering one service – tune-ups – to performing services such as oil changes, fuel injection, air conditioning, cooling systems, brakes and various diagnostic services and, at many locations, even selling tires.

In 1977, one year after Precision Tune's inception, it started franchising and, 15 years later, it became an international organization, says President and CEO Robert Falconi. "Today, we have relationships in Portugal, Spain, Taiwan, the Middle East, Central America, Canada, People's Republic of China and Indonesia. Further, we intend to grow in a variety of other places around the globe," Falconi asserts.

Currently, the Precision system includes 305 franchise locations and one corporate-owned store in the United States, with 100 located abroad, Falconi notes. "Even though we do have over 300 ▶

PROFILE

Precision Tune Auto Care

www.precisiontune.com

2006 sales \$155 million

Headquarters Leesburg, Va.

Services Maintenance/ repair

Robert Falconi "Our key to future growth is to become a one-stop-shop for auto repair and maintenance."

Precision Tune Auto Care offers oil changes, fuel injection, air conditioning, cooling systems, brakes and various diagnostic services.



Precision Auto Tune Care educates customers about the benefits of a well-maintained car.

domestic locations, there are many places where we'd like to move into," he says. "We want to grow in our existing markets, which, for us, means just about any market in the country where people drive cars and trucks, [because] the opportunity is there."

MAINTAINING QUALITY

In the automotive industry, maintaining a strong grasp on changing technology and innovations is imperative to a company's long-term survival, Falconi says. The company operates a research and development department, where Vice President of Training and R&D Joel Burrows leads the effort to stay on top of technological innovations. "He is known in the industry as the 'Car Doctor,' and does a great job keeping our franchisees informed of technological developments in the industry," Falconi says.

"Training is a real priority at Precision Tune Auto Care and Joel Burrows and John Wiegand, senior vice president of operations, travel the country, teaching franchisees to keep them [informed] of best business practices." According to

Falconi, training encompasses both technical and management disciplines.

In addition, top franchisees are often enlisted to act as mentors to the inexperienced, Falconi adds. "We have great relationships with our top franchisees, so we've solicited the help of a few of them to work with other franchisees that need additional help," Falconi states. "The program has been very well-received by our franchisees."

Along with the training, Precision Tune designed a comprehensive intranet system to increase the flow of communication throughout the organization.

"Franchisees can learn what's going on in the different markets through using our intranet," Falconi explains. "There is a lot of information-sharing between franchisees, and the intranet system allows them to communicate internally very easily and enhances that feeling of belonging to something bigger, which is one of the benefits of belonging to a franchise. Our marketing department, led by Senior Vice President Kevin Bates has done an outstanding job in developing communications tools for our franchisee community."

A ROCKY ROAD

With the rising cost of fuel, many consumers may decide to cut their spending in areas they regard as "optional" such as maintenance for their vehicle, Falconi states. "People know that they have to spend money on gas, and with the rising cost of fuel, they're looking for ways to reduce spending in other areas," he says. "One of our most-important challenges is developing the marketing materials and tools needed to inform people that by bringing in their cars now for needed maintenance, that they will save money in the long run on gas for their vehicles because it is a fact that a well-maintained vehicle runs much more fuel-efficiently than one that is not well-maintained."

Along with helping to educate their customers about the benefits of a well-maintained vehicle, the company is also striving to offer a more appealing atmosphere in each location to ensure customers are comfortable spending time at Precision Tune. "We are focusing our franchisees to 'follow the leaders' and become more customer-service focused, especially toward [customers] who may not know much about cars," Falconi says.

"Women, in particular, represent a large percentage of the public making decisions about where and when the car will be serviced or maintained," he continues. "When they go into a center, we want to make sure they aren't intimidated by the employees they're dealing with. We are the type of place where everybody feels comfortable, not just guys who are into cars. We try to create an atmosphere where families can come and feel comfortable, too." **usur**

THE STATE OF FRANCHISING: LEADERSHIP MAKES THE DIFFERENCE

Lou Brown: Bringing Precision Tune Back to the Basics

From \$20 million in debt to a profit of \$11 million in three years, Lou Brown helps franchised company turn around.

By Betty Hoeffner



Robert Falconi and Lou Brown

Lou Brown is one of Washington D.C.'s most successful high-tech entrepreneurs, so what's he doing helping an automotive franchise company get out of debt?

Building companies from the ground up has been something Lou Brown has done since 1970 when he launched IDEAS, an information and telecommunications corporation. Five subsidiaries, including MICROS Systems, were spawned during

his three-decade tenure as the president and CEO and his company, Autometric, was sold to Boeing.

Three years ago, Brown began applying his business-building principles to Precision Tune Auto Care (PTAC), one of the nation's largest car care franchised companies. He invested a million dollars of his own money in the parent company, Precision Auto Care, Inc. (PACI), and recruited his long-time business associate Robert R. Falconi to help him

repair PTAC system, which was more than \$20 million in debt when he took over. And this didn't even include almost \$12 million owed to vendors.

For the fiscal year ending June 30, 2003 Precision Auto Care, Inc. (OTCBB: PACI) revenues were \$11.9 million and profits were \$10.9 million, or \$0.72 per share, compared with a loss of \$7.7 million, or \$0.69 per share, on revenues of \$13.3 million for the prior year. However, the company is not making ninety cents of profit on every dollar of revenue. Approximately, \$10 million of the \$10.9 million in profit was due to debt restructuring. For the quarter ending September 30, 2003, the company earned a profit of \$296K or \$.01/share on revenues of \$3.2 million compared with a loss of \$433K or \$.03/share on revenues of \$3.4 million for the comparable quarter in 2002. By September 30, 2003, the \$20 million of debt that Falconi and Brown were saddled with is now under \$1 million at 6/30/03 and the \$12 million in payables are in the \$2.5 million range.

A Seventy-Cent Salary

According to Brown, who until recently had been paid a 70-cent annual salary in addition to stock grants, "PACI was drinking the 'easy money', Internet-IPO cocktail" before he took the helm. "They had gone public in order to raise a lot of money quickly to expand rapidly—too rapidly," Brown explained. "By the late 1990's, PACI had acquired a Mexican franchise, real estate holdings, car-wash equipment manufacturers, and even car-wash centers. They paid too much for these businesses in general. The deals were badly done and badly managed. By summer of 2000 all those chickens came home to roost. I said 'Let's get back to basics. Tell me how a company is going to make money franchising car washes?'"

Brown and Falconi pressed forward with a recap plan and divestiture of businesses that didn't fit with their model. "We had sharp losses during the initial sell-off," described Falconi. "For the fiscal quarter that ended December 31, 2001, PACI lost \$3.3 million, some of which was attributed to write-downs in company value associated with selling



off the unprofitable businesses." But, as a major shareholder in the near-valueless company, Brown was able to weather such unpopular outcomes with the blessings of the board, who were relying almost exclusively on the word and vision of their CEO.

"It was supposed to take only a year, but these things often take longer," said Brown. "The only way to do what we did was to lead by example. The franchisees were losing faith in the company's ability to help them, and losses were mounting. We took the initiative to improve the value proposition to the franchisees at the same time that we made the necessary cutbacks to make Precision profitable."

"It was supposed to take only a year, but these things often take longer."

Objective: Grow the System

"Now that we have a profitable company, the single biggest objective is to grow the system and our primary focus is domestic growth," Falconi said. "We have been working closely with our franchisees providing training and marketing support so that their stores continue to grow and generate improved revenues. We also encourage multi-unit ownership. Roughly 33 percent to 40 percent of PTAC's domestic franchises are owned by franchisees who own more than one franchise. In addition, we have initiated a Web-based advertising campaign, engaged outside sales brokers, attended more franchising shows and, as a general comment, done everything we can think that we believe is economical and cost-effective to

encourage potential franchisees to become part of the Precision system. We also intend to grow internationally," he added. PTAC sold a master franchising agreement to a group of investors in Portugal and Spain.

Two trends percolate behind the viability of the company as a major player in franchising: first, cars on the road today are built with greater sophistication than ever before, and second, franchises are making a come-back as a lucrative option for small business ownership especially with the breadth of corporate lay-offs. Combined, these dynamics have created fertile ground for auto care franchisees to set-up shop and see a return on their investment with a greater success rate.

The past decade saw a rapid decline in the number of independent service stations and "do-it-yourselfers" due to the increasing number of cars on the road that have been built with complex, computerized parts and systems.

"Repairing even a 13-year old used vehicle is likely beyond a do-it-yourselfer's expertise—and independent service stations are a dying breed," noted Brown. "The Mom and Pop shops don't have the capital to make the investment in diagnostic equipment. That's why the service station that used to be down the street is now a mini-mart. It's not good business for the owners to invest heavily in equipment when they can make a better profit selling gas, pantry items and Lotto tickets."

The company is not worried about the state of the economy because the vehicles it is aiming to service are typically out of warranty, with 60,000 miles or more. Owners usually believe they must maintain their vehicles, even if they don't have jobs. Servicing over a million vehicles each year, PTAC operates more than 330 computerized service centers throughout the United States and focuses on educating the driving public on the importance of car care for personal safety and the health of the environment. ■

Betty Hoeffner is president of the Hoeffner PR Group Ltd.



CEOCFOinterviews.com

Precision Tune Auto Care's heritage of being under the hood gives them an advantage over their competitors!

Business Services
Services
(PACI - NASD)



Louis N. Brown Jr.
President and
Chief Executive Officer



Robert R. Falconi
Chief Financial Officer
and
Chief Operating
Officer

Interview conducted
by:
Diane Reynolds
Co-Publisher

CEOCFOinterviews.com

August 2003

BIO:

President and Chief
Executive Officer
Louis M. Brown (59)

In August 2000, Brown was named President and CEO of Precision Auto Care, Inc. (PACI) Recognized as one of Washington's most successful high-tech entrepreneurs, Brown also serves as President and CEO of IDEAS, Inc., which he founded in 1970 to develop, implement and support complex information and telecommunications systems. Over the past 33 years, IDEAS has founded and incubated numerous companies including MICROS Systems, Inc. (NASDAQ: MCRS), Autometric, Inc. (now part of Boeing Corporation), Strata Group, Inc., and FiberGate, Inc. Today, IDEAS and all of its present and former subsidiaries and affiliates employ over 3,000 employees and will have sales in excess of \$600 million. Brown earned a BS in Electrical Engineering from The Johns Hopkins University (Baltimore, MD) in 1966.

Executive Vice President and Chief Operating Officer

Robert R. Falconi (48)

Falconi joined PACI in September, 2000, as Chief Financial Officer. In March 2002, he was named Executive Vice President and Chief Operating Officer. The former CFO of Intellisys Technology Corp. also served as CFO/Vice President of Finance & Administration for several government contracting firms in the Washington, DC area. Falconi holds several professional designations and earned an MBA from George Mason University (Fairfax, VA), after his BBA from the University of Texas (Austin).

Company Profile:

Precision Auto Care, Inc. (NASDAQ: PACI) provides automotive maintenance services through franchised Precision Tune Auto Care centers. Precision Tune Auto Care has been a national leader for over 25 years in providing car owners with a one-stop-shop for diagnostics, factory scheduled maintenance service and repairs for autos, SUVs and MiniVans. The centers offer certified technicians who can perform the same services a dealer can, only at a much greater value.

What began in 1976 as a tune-up specialist is today an advanced auto care system with a modern focus on complex auto systems. Servicing over a million vehicles each year and providing the driving public with education of car care for personal safety and the health of the environment, PTAC is a global player with more than 440 computerized service centers throughout the United States and in 11 countries.

CEOCFOinterviews: Mr. Brown, please give us a brief history of Precision Auto Care and tell us about any recent restructuring?

Mr. Brown: "The company started in 1976, so we are 27 years old now. It started out as an auto care franchising company and was initially and for a long time, a private company. In the mid nineties, they began a fairly aggressive growth plan and went public in 1997, raised some equity, did a series of acquisitions and tried to expand into car wash and franchise the car wash business. We even got into carwash manufacturing and some other things. However, as it turned out, they didn't work out too well, and by 2000, we needed to reposition the company and get it back to its roots.

That is when Robert and I came on. That was precisely three years ago, and we began that process. The clean up and right sizing process was completed at the end of the fiscal year, which was at the end of June.

Our initial task was the divestiture, selling the car washes. We also had a dysfunctional subsidiary in Mexico that was acquired by Shell about a year-and-a-half ago. We sold off the car washes piece meal, and finally sold the last two manufacturing pieces this past winter and spring, so by the end of June, we were back to a clean and focused auto franchising system. We are a little different from some auto franchising systems in that we are a three-tier system. We have an area developer of some kind between the franchisee and us. In the U.S., these are territorial area developers. Overseas, we have international area developers. We also have a co-branding program with Getty Oil. This is sort of a trial balloon for us. In each case, it is a three-tier process. We have a total of about 330 locations in the United States, and a little over a hundred internationally, so there is a total of about 440 locations worldwide in our system."